



Utah State Legislature

Senate • Utah State Capitol Complex • 320 State Capitol
PO Box 145115 • Salt Lake City, Utah 84114-5115
(801) 538-1035 • fax (801) 538-1414

House of Representatives • Utah State Capitol Complex • 350 State Capitol
PO Box 145030 • Salt Lake City, Utah 84114-5030
(801) 538-1029 • fax (801) 538-1908

November 13, 2018

Senator Jerry W. Stevenson, Senate Chair
Representative Bradley G. Last, House Chair
Executive Appropriations Committee
Utah State Legislature
Salt Lake City, UT 84114

Dear Senator Stevenson and Representative Last,

The Business, Economic Development and Labor Appropriations Subcommittee is pleased to report our actions during the 2018 Interim. You encouraged us to meet three times (June, August, and October) and use the three meetings as follows:

- *June*: Look back at what was accomplished – and not accomplished – in the 2018 General Session, including technical corrections. Follow-up on any issues that are outstanding from General Session. List and identify items from the 2018 General Session and earlier on which LFA might report in August.
- *August*: Discuss FY 2018 close-out and what it means going forward. Follow-up on fiscal notes and funding items from 2018 General Session and earlier. Receive reports on performance metrics for FY 2018. Identify potential base budget actions for discussion in October.
- *October*: Review base budgets as known including one-time appropriations that fall out. Adopt recommendations for current year and new year budget changes identified in June, August, or otherwise. Review new funding initiatives/requests for appropriation as available. Receive reports on performance metrics from 2018 General Session, if applicable.

Following is our report on the items we studied:

1. June was devoted to an evaluation of USTAR and focused on answering the following questions:
 - a. Is there a role for government in stimulating the innovation ecosystem?
 - b. What are the components of the Utah Innovation Ecosystem?
 - c. Are the programs of USTAR relevant and are there redundancies in other parts of state government?
 - d. Is USTAR effective and relevant?
 - e. Decisions were deferred until the committee had a chance to hear from the Governor's Office of Economic Development on their programs. The GOED discussion was scheduled for August.
2. June also introduced the subject of potential changes to the Request for Appropriation process. The Office of the Legislative Fiscal Analyst and the Office of Legislative Research and General Council presented an overview of how other states treat requests for appropriation. An in-depth discussion was then slated for the October Meeting.
3. The August meeting was focused on answering the following questions related to GOED:

- a. Is there a role for government in stimulating economic development?
 - b. What are the components of GOED and how do they relate to economic development?
 - c. What are the programs of GOED and is there duplication with other areas of state government?
 - d. Are GOED's programs appropriate and effective?
 - e. GOED and USTAR agreed in this meeting to come back with a consensus proposal to deal with redundancies in the October BEDL meeting.
4. October focused on cleaning up the items from the previous two meetings. Alternatives to the current Request for Appropriation process were presented. However, the committee chose not to act on a proposal at the current time.
5. An intended consensus plan from the Governor's Office regarding USTAR was planned for October's meeting. However, no proposal was reached by the meeting date. The committee discussed potential bill files for evaluating and changing USTAR in the next legislative session.

Sincerely,

Chairs of the Business, Economic Development and Labor Appropriations Subcommittee.

Sen. Daniel Hemmert, Co-Chair

Rep. Scott D. Sandall, Co-Chair